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MEDIA RELEASE – FOR IMMEDIATE RELEASE

Abterra reports positive profit in the murk of this financial meltdown

- **49% y-o-y increase in revenue to S\$65.9 million**
- **Proposed acquisitions of two mining companies to be completed as planned**

Singapore, 15 May 2009 – Abterra Ltd., (“Abterra”, or the “Group”), an emerging supply chain manager of resources and minerals in Asia Pacific, reports a positive profit after tax of S\$1.67 million for Q1 2009 despite the slowdown in global trade activities.

Even though the Group has registered a 49% year-on-year increase in revenue to S\$65.9 million for the first quarter ended 31 March 2009, the Group attributes the significant increase in turnover to the trade activities carried from last year.

“There is no doubt that challenges remain in the PRC steel industry with weak demand from steel consuming industries and excess production capacity. However, we believe that positive measures by the Central Government like the RMB4 trillion stimulus package to boost infrastructure spending, should help spur demand for steel in the near term. As such, we are constantly keeping an eye out for potential opportunities to strengthen our position along the supply chain.”

- Mr Lau Yu, CEO of Abterra

For the year ahead, the Group looks forward to completing the proposed acquisitions in two mining companies, namely a 49% stake in Taixing Jiaozhong Coal Industry Co. Ltd. (“Taixing Jiaozhong”) and a 22.8% stake in Zuoquan Xinrui Metallurgy Mine Co. Ltd. (“Zuoquan Xinrui”). Taixing Jiaozhong produces high quality coking coal with an annual capacity of 150,000 metric tons while Zuoquan Xinrui has two iron ore mines with a total mineable reserve of approximately 27.9 million tons and an annual capacity of at least

300,000 metric tons. With that, Abterra is confident that the completion of the above acquisitions would place the Group in a strong position when demand for steel recovers.

Industry Prospects

The Chinese steel sector is still plagued by a combination of overproduction and weak demand, a fact confirmed by the China Iron and Steel Association (“CISA”) at their recent 1Q update press conference. Daily crude steel production hovered at 1.42 million tonnes in 1Q09, despite daily steel use standing at 1.4 million tonnes. To remedy the oversupply issue and improve demand for industrial products, the Central Government has taken unprecedented steps to eliminate 25 million of crude steel making capacity and close 1,500 coalmines in Shanxi.



Source: Goldman Sachs Research

“The PRC Government’s decision to further clamp down on smaller mines within China is a boon for the Group’s business. Already part of a rare breed of non-state owned companies within China that has mining assets, we view the reduction in mining licences as a further opportunity to strengthen our position within China.”

- Mr Lau Yu, CEO of Abterra

There have been steps towards creating a more flexible market pricing mechanism for iron ore, with the launch of exchange traded iron ore swaps on the Singapore Exchange starting 27th April 2009. This move grants greater transparency to traders in contract negotiations with their counterparts, rather than relying on the benchmark prices set by the big three iron ore miners. Greater stability in spot prices and the opportunity to hedge a company’s spread should smoothen out the trade of iron ore in future.

---- The End ----

About Abterra Ltd.

Abterra Ltd. is primarily engaged in the businesses of the development of mineral business in countries including Australia, India, and Indonesia, and the international trading of iron ore; the sale of Chinese steel and iron products to India and South East Asian countries; domestic PRC logistics business and the operation and development of industrial real estate; and the business of coal mining, washing and processing of coal into coke among others.

For more information, please refer to the corporate website: www.abterra.com.sg

Issued for and on behalf of Abterra Ltd.

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